



Subject: 109th Meeting of the Auditing and Assurance Standards Board - Highlights
Venue: The Portside Centre, Level 5, Symantec House 207 Kent Street, Sydney
Meeting Date: Wednesday 12 June 2019 and Thursday 13 June 2019

Further discussion of the meeting highlights are available via the [meeting podcast](#) featuring AUASB Technical Staff Members.

1. Review of June 2019 IAASB Papers

The AUASB were informed about and discussed the key matters on the IAASB's June 2019 Agenda, with the two main topics being:

- An update on the progress of the proposed ISA 315 *Identifying and Assessing the Risks of Material Misstatement*. The agenda item was attended by Fiona Campbell, Deputy Chair of the IAASB and Chair of the IAASB's ISA 315 Task Force. The AUASB provided feedback that they are supportive of the proposed changes to ISA 315 and agreed with the new approach which restructures the requirements and application material, and the use of extended definitions, to address the complexity, scalability and proportionality issues raised in many responses the IAASB received on ED 315. The AUASB generally considered that the significant concerns they raised in the AUASB submission on ED 315 have been addressed, and provided other specific feedback on the proposed changes to ISA 315.
- An update on the progress of the ISA 600 *Group Audits* project. The update focussed on confirming that the key public interest issues that the IAASB plan to address are aligned to feedback that the AUASB had provided in response to the IAASB Discussion Paper on this topic. The AUASB discussed the proposed new approach to scoping a group audit and how it aligns ISA 600 with the principles of revised ISA 315.

The other IAASB June 2019 topics discussed by the AUASB were Audit Evidence, Auditor Reporting Implementation and Phase 2 of the Guidance on Emerging Forms of External Reporting.

2. Quality Management Standards Submission

The AUASB Technical Group (ATG) provided the AUASB with a summary of the feedback received on the suite of Quality Management Exposure Drafts (EDs). The AUASB discussed what should be included in the AUASB's submission to the IAASB on the EDs, taking into account matters raised during the AUASB's review of the IAASB papers, recent outreach conducted by the ATG and comments received from stakeholders. A draft submission will be circulated to the AUASB for consideration and approval at its 26 June 2019 AUASB teleconference, ahead of submission to the IAASB on 1 July 2019.

3. GS 005 *Using the Work of a Management's Expert*

The AUASB received an update on the revision to GS 005 *Using the Work of a Management's Expert*. A draft revision will be brought to the September 2019 AUASB meeting for consideration.

4. Revision of AUASB Guidance Statements

The ATG provided the AUASB with an analysis of the suite of current AUASB Guidance Statements (GSs), identifying whether relevant legislation / regulation or relevant standards had changed and



therefore which GSs required update or withdrawal. The AUASB determined that additional feedback from stakeholders is required to determine the currency and priority associated with each GS.

The ATG also provided the AUASB with a project plan to update GS 008 *The Auditor's Report on a Remuneration Report Under Section 300A of the Corporations Act 2001*. A draft revision will be brought to the September 2019 AUASB meeting for consideration.

5. FRC/ Audit Quality Update

The AUASB meeting welcome the Chair of the Financial Reporting Council, Bill Edge, for a discussion on recent Audit Quality developments in the Australian and Global Auditing and Assurance Industry. The discussion highlighted a commitment for the AUASB to collaborate with the FRC, ASIC and all key stakeholders in the profession to broaden the debate around how audit quality is measured and addressed.

6. AUASB EER Submission

The AUASB reviewed a draft submission on the EER Assurance – Phase 1 EER Consultation Paper due to the IAASB by 21 June 2019. AUASB members express support for the concepts the Consultation Paper is seeking to address, but have suggested a number of changes and fed back that the guidance should be redeveloped to be made more accessible for the different stakeholders who will rely on this pronouncement.

7. Auditor Implications arising from AASB ED's on Removal of Special Purpose Accounts

The AUASB discussed the implications for stakeholders of the AASB's project on removing special purpose financial statements. Whilst the impact on AUASB standards is likely to be limited to updating references, the AUASB viewed that this change was a good opportunity to remind auditors of their responsibilities related to the financial reporting framework under the AUASB standards. To communicate this to stakeholders the ATG will develop and issue an AUASB Bulletin addressing the underlying audit issues associated with this topic, likely by early July 2019 so this guidance is available for upcoming June reporting season.

8. Public Sector PAG Update

The PAG Chair provided an update to the AUASB on the progress made in addressing Public Sector specific auditing issues raised for consideration by ACAG. The work completed so far has involved scoping the challenges for the public sector with *Terms of Engagement, Engagement Leader responsibilities* and *Going Concern*, as well as outlining the range of AUASB pronouncements to respond to these challenges. The next PAG meeting will involve a detailed analysis of each Auditor-General's office's challenges for each topic area.

9. Joint Session with the Australian Accounting Standards Board

The AUASB held a joint session with the AASB to review the current AASB and AUASB Strategic Objectives and also identify projects on which the two boards should collaborate on for the 2019-20 reporting period.

The next AUASB regular meeting will be held in Melbourne on the 11th September 2019 commencing at 9:00 am.

The meeting will be open to the public. Please register via the AUASB website (www.auasb.gov.au) or send an email to enquiries@auasb.gov.au if you wish to attend.